

Nursing Home Transparency and Quality of Care Improvement Act of 2008

Thursday, 25 September 2008

This legislation is a companion bill to one introduced by my Senate colleagues, Senators Grassley and Kohl. I thank them for their leadership and look forward to working with them on this issue in the next Congress.

FOR THE CONGRESSIONAL RECORD: Extension of Remarks

September 26, 2008

Nursing Home Transparency and Quality of Care Improvement Act of 2008

Mr. Speaker,

I rise today to introduce the "Nursing Home Transparency and Quality of Care Improvement Act of 2008" with my colleague Ms. Schakowsky of Illinois. This legislation is a companion bill to one introduced by my Senate colleagues, Senators Grassley and Kohl. I thank them for their leadership and look forward to working with them on this issue in the next Congress.

It has been twenty years since passage of the Nursing Home Reform Act. Despite improvements in some areas of quality, there is still much to be done. I am introducing this bill because the lives of our most frail senior citizens are at stake, and our return to this issue is long overdue. I recognize we are in the waning days of this Congress, and I look forward to hearing feedback from my colleagues and interested parties in the coming months, and hope we can move forward on this issue in the 111th Congress.

A disturbing trend has been underway in recent years. Nursing home chains have changed their corporate structure in ways that conceal the real ownership and management of individual facilities. In doing so, the chains are able to shield assets and limit liability. They obscure regulators' efforts to find the responsible party and seek corrective action or collect monetary penalties. Beneficiaries are similarly limited in their ability to seek remuneration for injury or neglect.

The result is a woeful lack of transparency and accountability. How can we hold nursing home chains accountable for the quality of care if they are hiding their true ownership relationships?

Even

more worrisome is the negative effect on quality that may result from these changing corporate structures. The heightened focus on profit maximization in the restructured organizations may come at the expense of quality of care. When cost cutting leads to staffing cuts, patient care suffers, and our most frail seniors are put in jeopardy.

We

cannot forget that this industry operates largely on the government dime. Medicare and Medicaid pay for the majority — 60 percent — of spending on nursing homes annually, with the remainder coming out-of-pocket or from private insurance. At any one time, nearly 80 percent of residents living in nursing homes are supported by public funds.

These troubling trends are going on at the same time as the nursing home industry is enjoying healthy Medicare margins of nearly 13.1 percent in 2006. For profit nursing homes are doing even better, with soaring stock prices and Medicare margins of 16 percent in 2006.

We have a moral and fiduciary responsibility to make sure we know who those providers are and what they are doing, and ensure they are using government dollars to provide high quality care for our nation's nursing home residents, that is why I am introducing this legislation.

The Nursing Home

Transparency and Quality of Care Improvement Act puts patients before profits. It provides protections to residents when a home closes, and brings structure to the complaint process. It increases transparency of nursing home ownership and operations so that seniors and their families know who is calling the shots, and the level of care provided in the home. It improves the data available on the Nursing Home Compare website so that families are well-informed when making decisions about the care of their loved one. The bill also improves staff training. Lastly, the bill strengthens the current enforcement system via mandatory compliance and ethics programs, new quality assurance efforts, and meaning enforcement penalties.